Reporting from Los Angeles and Washington - The White House is charging forward with plans to clamp down on executive pay, framing the measures as necessary to rein in risky business practices and brushing aside claims that it is meddling too deeply in corporate affairs.

The measures announced Wednesday by the Obama administration include a "pay czar" to approve compensation packages for the highest-paid employees at Bank of America Corp., American International Group Inc. and other large institutions that received bailout funds, and support for legislation to give company shareholders a bigger voice in compensation issues.

The actions continue a strong Obama administration theme of active involvement in corporate America, leading to objections from some Republicans and business groups that the government is overstepping its role.

"They're boot-strapping the problem in the financial services sector to all companies," said Scott Talbott, chief lobbyist for the Financial Services Roundtable, which represents large financial companies. "It's a slippery slope."

But others say the proposals don't go far enough toward reducing corporate compensation and the incentive for executives to push the envelope to fatten their paychecks.

One key lawmaker, House Financial Services Committee Chairman Barney Frank (D-Mass.), said Wednesday that he wanted to pass legislation with even tougher restrictions.

David M. Lynn, a former federal regulatory attorney now in private practice, said the financial crisis had primed the pump for legislative action.

"There's a level of public anger over executive pay," he said.

The steps announced by the Obama administration include having the pay czar sign off on compensation packages for senior executives and the next100 highest-paid employees at seven firms that have received "exceptional assistance" from the government, such as AIG.

For other bailout recipients, there will be new limits on bonuses and severance packages.

Acting on requirements set by Congress in the $787-billion economic stimulus legislation -- and in some instances going beyond them -- the Treasury Department formally limited bonuses to one-third of total compensation for senior executives at companies receiving money from the $700-billion Troubled Asset Relief Program, or TARP.

The Treasury also limited the use of compensation based on sales commissions to prevent it from being used to skirt the restrictions, enacted limits on so-called golden-parachute severance packages, and required that bonuses be repaid if they were given to senior executives based on performance criteria that later turn out to be inaccurate.

Treasury Secretary Timothy F. Geithner also laid out broad principles on executive compensation, such as tying incentives to long-term performance to reduce short-term risk-taking.

Although those principles would also apply to all private companies, Geithner will be working with federal regulators to get them enacted for banks and financial institutions.

"We had a financial crisis [in] which, although it was caused by many things, there were clearly some aspects of compensation which contributed to the kind of risk-taking we saw across the financial sector," Geithner said.

Executives at financial services companies, for example, were paid bonuses based on the rising volume of loans made or sold. Many earned tens of millions before those loans soured.

The administration went beyond the requirements in the stimulus bill by appointing Kenneth R. Feinberg as "special master for TARP executive compensation."

Feinberg, who headed the fund that awarded compensation for victims of the Sept. 11, 2001, terrorist attacks, will review compensation for executives and highly paid employees at companies that have received the largest bailouts.

"He will have the ability to disapprove a compensation arrangement or salary found inappropriate, unsound or excessive," said Gene Sperling, a counselor to Geithner.

The restrictions will apply until companies repay their bailout money and any other financial obligations, such as stock warrants.

The administration also called on Congress to give the Securities and Exchange Commission new powers to require more input by shareholders on executive pay at all public companies and to ensure that compensation committees on corporate boards have more independence.

Shareholder advocates said they were cautiously optimistic that the Obama administration would succeed in putting the brakes on runaway executive pay.

Though many of the details are still unclear, executive compensation experts maintained that this effort stands out because of what it doesn't do. It doesn't set arbitrary caps on pay, which companies oppose and have been able to subvert in the past. The proposals suggest an indirect, but possibly more effective, approach that would simply turn up the heat on directors who approve excessive pay packages.

"I think this was a good first step," said Nell Minow, editor of the Corporate Library, a governance research firm. "The administration doesn't want to set anyone's pay, but they take this issue very seriously and understand that something is very wrong."

But Claudia Allen, chairwoman of the corporate governance practice at the Chicago law firm of Neal, Gerber & Eisenberg, said that the Obama administration was wading into complicated territory.

"My sense is they are trying to find something that responds to populist outrage while balancing that against the need to retain key executives," she said. "The practical reality is that it's hard to legislate compensation."

Indeed, such efforts have backfired in the past, Minow said. A 1993 law that sought to limit salaries to less than $1 million, for example, was passed at a time when the average salary was $750,000. Almost immediately, average salaries were boosted to the cap and then companies proceeded to issue huge stock option awards, leading to the run-up in pay we see today, she said.

"In the museum of unintended consequences, that law is Exhibit A," Minow said.

But Geithner stressed that the administration was not seeking to cap how much executives would be paid.

"We do not believe it's appropriate for the government to set caps on compensation," he told reporters after meeting with SEC Chairwoman Mary L. Schapiro and Federal Reserve Gov. Daniel Tarullo.

The administration will also propose legislation to give the SEC power to ensure that compensation committees are independent in ways similar to corporate audit committees and that they have the ability and the money to hire independent compensation consultants and outside counsel.

In 2007, the House approved legislation from Frank to provide shareholders with an advisory vote on executive compensation. But the measure, which was opposed by the Bush administration, never came up in the Senate.

Sen. Charles E. Schumer (D-N.Y.) has introduced a sweeping "shareholder bill of rights" that includes a requirement for say-on-pay votes. And with larger Democratic majorities in Congress and Obama in the White House, Frank said he was optimistic legislation would be passed.

But some Republicans strongly oppose the measures.

"Compensation is and should be an inherently private matter between an employee and an employer," said Rep. John Campbell (R-Irvine).